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In The

Supreme Court of the United States

October Term, 1997

SHAKESPEARE COMPANY,

Petitioner,

vs.

SILSTAR CORPORATION OF AMERICA, INC.,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Fourth Circuit

RESPONDENT'S BRIEF IN OPPOSITION

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QUESTIONS PRESENTED

I. Whether the Fourth Circuit Court of Appeals' decision that Petitioner is not entitled to a presumption of likelihood of confusion based solely on Respondent's good faith copying of a functional feature is in material conflict with the decision of any other Circuit Court of Appeals.

II. Whether the decision of the Fourth Circuit Court of Appeals that the fair use defense is available even when there is a likelihood of confusion is in material conflict with the decision of any other Circuit Court of Appeals.

III. Whether a finding that Shakespeare's incontestible mark is entitled to a presumption of secondary meaning and, therefore, a factor favoring Petitioner's position is in material conflict with the decision of any other Circuit Court of Appeals.

PARTIES TO THE PROCEEDING AND RULE 29.6 STATEMENT

The Petition accurately lists parties to the proceeding. Respondent Silstar Corporation of America, Inc. is a subsidiary of Silver Star Co., Ltd. Silstar Corporation of America, Inc. has no nonwholly owned subsidiaries.

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Andrew Corydon Finch, *When Imitation is the Sincerest Form of Flattery: Private Labe products and the role of Intention in Determining Trade Dress Infringement*, 63 U. Chi. L. Rev. 1243 (1996) 10, 11

PRELIMINARY STATEMENT

Respondent Silstar Corporation of America, Inc. ("Silstar") respectfully submits this brief in opposition to the petition of Shakespeare Company ("Shakespeare") for a Writ of Certiorari to review the judgment of the United States Court of Appeals for the Fourth Circuit in this case.

OPINIONS BELOW

The Petitioner, Shakespeare Company (hereinafter, "Shakespeare"), brought this trademark infringement action claiming that Silstar Corporation of America, Inc. (hereinafter, "Silstar"), infringed its incontestible Trademark Registration in the clear tip appearance of some of its fishing rods. After a full trial on the merits, the District Court issued its Order finding that Shakespeare was not liable for infringement on Shakespeare's mark and was entitled to the protection of the fair use defense provided by 15 U.S.C. § 1115(b)(4). 91a.[1] The District Court also held that Shakespeare's incontestible Trademark Registration for its mark should be cancelled because it was functional.

On appeal to the Fourth Circuit Court of Appeals, Shakespeare vigorously contested the District Court's findings and conclusions that Silstar proved its fair use defense and also contested the cancellation of its Registration. In its order adjudicating that appeal, the Fourth Circuit Court of Appeals agreed with Shakespeare that its incontestible Registration could not be cancelled on the ground of functionality because functionality was not an enumerated basis for cancellation of an incontestible Registration under 15 U.S.C. § 1115(b). 58a.

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1. Unless otherwise noted, the references herein are to the appendices included in Shakespeare's petition.

The Court of Appeals did not take issue with any of the District Court's findings or conclusions with respect to Silstar's fair use of the clear tip except to instruct the District Court that any inquiry into the fair use of the clear tip must be accompanied by an analysis of the likelihood of confusion among consumers that may be created by Silstar's use of the clear tip. Silstar unsuccessfully petitioned this Court for a writ of certiorari.

On remand the District Court issued its order finding as a fact that the sale by Silstar of its fishing rod having a clear tip would not result in any likelihood of confusion among consumers, and that even if there were some likelihood of confusion, the facts show that Silstar's sale of its rods was within the statutorily established "fair use defense" as set forth in 15 U.S.C. § 1115(b)(4). 22a.

Shakespeare again appealed the adverse ruling of the District Court. In the decision from which Shakespeare now seeks a writ of certiorari, The Fourth Circuit Court of Appeals affirmed the District Court, holding that the evidence supported the District Court's findings and conclusions and that the District Court had correctly applied the relevant law with respect to both trademark infringement and the fair use defense. 1a.

STATEMENT OF THE CASE

Both Shakespeare and Silstar sell fishing rods. Until the late 1940's fishing rods were made primarily of steel or bamboo. During that period fiberglass rods were introduced into the market. Solid fiberglass rods were strong, but suffered from being heavy and expensive. Hollow fiberglass rods were less durable, particularly at the tip, which tended to break. Shakespeare was one of the first companies that developed a process for making a hollow fiberglass rod with a solid fiberglass tip. The process is called the "Howald Process" and was the

subject of various patents. Substituting hollow graphite for fiberglass in the base, while still maintaining the solid fiberglass tip, produced an exceptionally strong, but light, rod. Because of the protection afforded by its patents, Shakespeare was for many years one of the only manufacturers to offer hollow graphite rods with solid fiberglass tips.

The Shakespeare Ugly Stik rod, which is the subject of this litigation, is made of a hollow graphite tube and a solid fiberglass tip. The process of making this type of rod was developed by Shakespeare's engineers and is the subject of Lindler U.S. Patent No. 4,061,806. It is an adaption of the Howald Process. After experimentation with the possible ingredients that could be used to make such rods, Shakespeare settled on epoxy resin, which has a natural clear appearance. Shakespeare did not add or subtract any pigment to the resin and did not intentionally design the process to create a clear tip. The clear tip is the natural appearance of the combination of fiberglass and the resin best suited for use on the rod.

Shakespeare obtained a trademark registration for the clear tip appearance without disclosing to the Patent and Trademark Office the significance or derivation of the clear tip appearance, or its functionality.

After all relevant patents had expired, Silstar developed the technology to produce a hollow graphite rod with a solid fiberglass tip. As expressly found by the District Court, Silstar left the appearance of its fiberglass tipped rods in their naturally occurring clear state in order that consumers could see and understand the qualities that the rod possesses. As expressly found by the District Court, Silstar does not seek to use the clear tip as a source of origin of the rods or otherwise as a trademark. The District Court found that there was an advantage in communicating to consumers the fact that a rod is made of

graphite with a solid fiberglass tip and the best method of communicating this fact is by marketing the rod with a clear tip and opaque base. The District Court found that coloring the tip is both more expensive and obscures the fact that the rod has a solid fiberglass tip.

The District Court concluded that Shakespeare's mark is functional:

> In this case, there is no alternative design to Shakespeare's mark which would be as effective in communicating to consumers the fact that the rod is made of a graphite base and a solid fiberglass tip since the clear tip and the opaque base represent the natural colors of the graphite and fiberglass resin which compose the rod. To allow Shakespeare to have a perpetual monopoly on the color configuration would unquestionably hinder competition since it would preclude all competitors from using the natural and most effective means of marketing their products, and would require them to use a less effective and more costly method. This hindrance to competition would ultimately result in a detriment to consumers. Accordingly, Shakespeare's mark is a functional feature of graphite fishing rods which have a solid fiberglass tip.

September 24, 1992, Order of the District Court at 112a.

After remand by the Court of Appeals, the District Court held that Silstar's use of the clear tip did not create a likelihood of confusion and that Silstar had proven the elements of the fair use defense, 15 U.S.C. § 1115(b)(4). 22a. In reaching its conclusion that there was no likelihood of confusion, the Court applied a multi-factor analysis that, in identical or similar form,

is employed in all of the circuits. One of the factors of that analysis is the intent of the defendant. The District Court found that, although Silstar had prior knowledge of Shakespeare's mark, it did not intend to benefit in any way from Shakespeare's good will or to use the clear tip configuration for any purpose other than to describe the fact that its tip was made of solid fiberglass. 42a-44a.

In reaching its conclusion, the District Court was mindful of the principle that, where an alleged infringer is found to have intentionally copied the protected trade dress of a competitor without any justifying reason, the defendant may be presumed to have intended to trade on the good will of his competitor and to have created a likelihood of confusion. 40a-41a. The District Court found that Silstar did have a justifying reason for using the clear tip B to describe the components of its rod. The District Court held that under these circumstances there was no presumption of likelihood of confusion. 44a.

The Court of Appeals affirmed the District Court, holding that a presumption of likelihood of confusion arises "only when the copier *intends to exploit the good will* created by an already registered trademark." (Emphasis in the original.) 8a.

In applying the multi-factored likelihood of confusion analysis, the District Court also considered the strength of Shakespeare's mark. Shakespeare's Petition incorrectly charges the District Court with having concluded that Shakespeare's mark was only clearly descriptive. (Shakespeare's Petition at 25.) The District Court also found that Shakespeare's incontestible mark had "presumptively acquired secondary meaning." 49a. In determining whether Silstar's use of the clear tip created a likelihood of confusion, the District Court found that "the relative strength of Shakespeare's trademark is also a factor that somewhat favors Shakespeare." 48a.

SUMMARY OF ARGUMENTS

Shakespeare urges this Court to issue a writ of certiorari in order to address three areas in which Shakespeare argues there is conflict among the circuits. Shakespeare contends that there is a split in the circuits as to whether a presumption of likelihood of confusion will automatically arise when the defendant is found to have copied the plaintiff's mark. The presumption, even in its broadest articulated form, has never been held to apply in a case where the mark was found to be functional.[2] Furthermore, a review of the cases cited by Shakespeare reveals that none of the circuits apply the presumption where the copying was found to have been done in good faith, as it was here.

Shakespeare also suggests that there is a split in the circuits as to whether the fair use defense is available when the Court concludes the alleged infringer's use creates a likelihood of confusion. Shakespeare is incorrect in suggesting there is a split in the circuits on this issue. No Circuit Court of Appeals has held that the fair use defense is unavailable where there is a finding of likelihood of confusion. Furthermore, the issue is moot in this case because the District Court found, and the Court of Appeals affirmed, there was no likelihood of confusion created by Silstar's use of the clear tip.

Finally, Shakespeare argues that there is a split in the circuits as to whether an incontestible mark must be viewed as being strong in the context of determining whether the infringer's use creates a likelihood of confusion. Although some circuits do

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2. Although the Fourth Circuit Court of Appeals has decided that Shakespeare's incontestible mark is valid and enforceable, even though it is functional, the functionality of the clear tip is nevertheless relevant to issues such as why Silstar used the feature (Silstar's intent), and whether its use would create a likelihood of confusion, all of which fact issues were thoroughly considered and decided adversely to Shakespeare.

automatically accord strength to an incontestible mark by requiring that the mark be considered as presumptively having acquired secondary meaning, the District Court below did, in fact, give Shakespeare the benefit of this presumption. 49a-50a.

In short, Shakespeare attempts by its Petition to manufacture a split of authority in the circuits over the standard to be applied when likelihood of confusion is in issue. In this effort, it ignores the factual determination by the lower court that there is no likelihood of confusion in the circumstances presented by this case. It likewise overlooks the point that the review undertaken of this finding by the Fourth Circuit has been governed by all relevant criteria announced in the various decisions pertinent to the issue. Shakespeare's position has no basis in fact or law. For the reasons that follow, this Court should deny Shakespeare's Petition.

REASONS FOR DENYING THE WRIT

I.

THERE ARE NO DECISIONS FROM ANY CIRCUIT COURT WHICH HOLD THAT SUBSEQUENT USE OF A FUNCTIONAL DEVICE GIVES RISE TO ANY PRESUMPTION WHATSOEVER WITH RESPECT TO THE ISSUE OF LIKELIHOOD OF CONFUSION.

Shakespeare alleges that the Second, Sixth, Ninth and Eleventh Circuits would recognize a presumption of likelihood of confusion from the fact that Silstar knew of Shakespeare's clear tip mark when it introduced its competing rod. However, none of the cases cited from those circuits involved the fact that the alleged infringer was accused of having copied a functional feature of the product being sold. The presumption is normally

discussed in cases involving issues of trade dress rather than trademark. The law which has evolved with respect to trade dress and the issue of likelihood of confusion, states that it is permissible in some instances to find a likelihood of confusion if the alleged infringer copies the prior user's trade dress. However, this is not the case when the "copying" is necessitated by the fact that the trade dress incorporates a functional feature of the product itself. In fact, many of the decisions cited by Shakespeare as authority for the presumption expressly state that it is unavailable where the alleged infringer copies a functional feature.

For instance, in *Paddington Corp. v. Attiki Importers & Distributors, Inc.*, 996 F.2d 577 (2d Cir. 1993), the Second Circuit Court of Appeals stated,

> Additionally, functional packaging and product design are unprotected, and functionality may be raised as a defense to an action for trade dress infringement.

and,

> the only real question for the courts will be whether there is a likelihood of confusion between the products, provided, of course, the trade dress is not functional (citations omitted).

996 F.2d at 583.

In *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1129 (Fed. Cir. 1993), *cert. denied*, 510 U.S. 908 (1993), the Federal Circuit held that under the law in the Second Circuit, functionality is a defense, stating

> Applying the Second Circuit law as we perceive it in

> this evolving area, an action for unfair competition under Section 43(a) will not lie if the product design is essential to the use of the device and not primarily directed to its appearance.

In *Bauer Lamp Co. v. Shaffer*, 941 F.2d 1165, 1170 (11th Cir. 1991), the Eleventh Circuit Court of Appeals declared, "In order to establish trade dress infringement, three elements must be proved . . . second, that the features in question are nonfunctional." In *Ferrari v. Roberts*, 944 F.2d 1235 (6th Cir. 1991), the Sixth Circuit Court stated,

> Trademark law does not protect the functional features of products because such protection would provide a perpetual monopoly of features which could not be patented.

944 F.2d at 1246. The Third Circuit Court of Appeals recognized this point in its decision in *Versa Products Co. v. Bifold Company (Mfg.) Ltd.*, 50 F.3d 189 (3d Cir. 1995). In discussing the factors to consider in determining likelihood of confusion, the Court explained that whatever value the defendant's intent may have in the normal trade dress or packaging context was largely absent in the context of a product configuration case. The court stated,

> Whatever merit this factor [defendant's intent] may have in the context of trade mark and product packaging trade dress cases, we doubt that it is an appropriate consideration in a trade dress infringement case where the trade dress is alleged in the product configuration itself.

50 F.3d at 205.

Similarly, the Ninth Circuit Court of Appeals in *Academy*

of Motion Picture Arts and Sciences v. Creative House Promotions, Inc., 944 F.2d 1446 (9th Cir. 1991), stated, "To be protected under the Lanham Act, a particular design must be both non-functional and have a secondary meaning." 944 F.2d at 1454.

In *Schwinn Bicycle Co. v. Ross Bicycles, Inc.*, 870 F.2d 1176 (7th Cir. 1989), the Seventh Circuit Court of Appeals discussed the problem of utilizing such a presumption in a case where the attributes copied are arguably functional aspects of the product itself.

> The use of a presumption is particularly troubling in an instance such as this, where the product that has acquired secondary meaning is the first of its type (i.e., the first air displacement exercise bicycle) to be marketed; this seems to be a presumption in favor of product monopoly rather than the protection of trade dress.

870 F.2d at 1185.

Even one of the commentators relied on by Shakespeare for the proposition that a conflict exists among the circuits, suggests that courts are uniform in denying trademark protection to functional marks. Andrew Corydon Finch, *When Imitation is the Sincerest Form of Flattery: Private Labe products and the role of Intention in Determining Trade Dress Infringement*, 63 U. Chi. L. Rev. 1243 (1996).

> The functionality defense to a claim of trade dress or trademark infringement is that the allegedly infringed trademark or trade dress "lacks good substitutes, either because the product is worth less without it (the circular tire) or because it makes the product cheaper

> to produce (citation omitted)." Under these circumstances, courts deny trademark or trade dress protection because such protection would amount to patent protection without any time limit.

63 U. Chi. L. Rev. at 1256, n.66.

II.

NO CIRCUIT COURT OF APPEALS HAS APPLIED A PRESUMPTION OF LIKELIHOOD OF CONFUSION WHERE THE EVIDENCE ESTABLISHES THAT THE DEFENDANT'S COPYING WAS DONE IN GOOD FAITH.

Shakespeare has strung together a series of out of context quotes from various cases to support its argument that the Second, Sixth, Ninth and Eleventh Circuit Courts of Appeals would have applied a presumption of likelihood of confusion despite Silstar's proof that its use of the clear tip was in good faith and without any intent to confuse. In fact, all of the cases cited by Shakespeare from those circuits recognize that no presumption arises if the defendant proves that the actions were in good faith.

A. The Second Circuit Cases

In each of the cases of the Second Circuit Court of Appeals relied on by Shakespeare, the Court of Appeals made it clear that the alleged infringer's intent was relevant to determining the issue of likelihood of confusion. The Court's explanatory language, which is mostly omitted from Shakespeare's Petition, are often adjacent to portions that are quoted by Shakespeare. The circuits are generally in accord in their view that copying is a relevant consideration on the issue of likelihood of confusion only in the context of an alleged infringer's bad faith or intent to confuse.

In *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 258 (2d Cir. 1987), the Second Circuit did not apply a presumption of likelihood of confusion based on intentional copying. Rather, the court reviewed the District Court's analysis of the eight factors generally considered by courts in determining likelihood of confusion. The fourth of those factors is "the defendant's good faith in adopting its mark." 818 F.2d at 256. The court concluded that the first three factors were the most important, but that the District Court's finding that the defendant did not innocently select its mark was also supportive of the finding of likelihood of confusion. The full sentence on this point, only a portion of which has been quoted by Shakespeare, is:

> The district court's finding under the fourth *Polaroid* factor that Pegasus Petroleum did not innocently select its potentially confusing mark reinforces this conclusion: Intentional copying gives rise to a presumption of a likelihood of confusion.

818 F.2d at 258.

In *Warner Bros. v. American Broadcasting Co.*, 720 F.2d 231, 246-247 (2d Cir. 1983), the Second Circuit held that evidence of copying does not result in a finding of likelihood of confusion where a comparison of the two products does not support that finding.

> We have recognized that evidence of intentional copying raises a presumption that a second comer intended to create a confusing similarity of appearance and succeeded. Citing *Perfect Fit Industries, Inc. v. Acme Quilting Co.*, 618 F.2d 950, 954 (2d Cir. 1980) (applying New York law). But if comparison of the works reveals no fair jury issue concerning likelihood

> of confusion, then intent to copy, even if found from the proffered evidence, would not establish a Lanham Act violation.

In *Perfect Fit Industries, Inc. v. Acme Quilting Co.*, 618 F.2d 950, 954 (2d Cir. 1980), the Second Circuit held that whatever presumption of likelihood of confusion was created by evidence of copying existed only if there were no reasons assignable to the copying and only where the alleged infringer adopted his designation with intent to derive benefit from the reputation or good will of the plaintiff's trademark. In describing the presumption, the court quoted from Judge Learned Hand's decision in *American Chile Co. v. Topps Chewing Gum, Inc.*, 208 F.2d 755 (2d Cir. 1960):

> It is generally true that, as soon as we see that a second comer in a market has, *for no reason that he can assign*, plagiarized the "make-up" of an earlier comer, we need no more; for he at any rate thinks that any differentia that he adds will not, or at least may not, prevent the diversion and we are content to accept his forecast that he is "likely" to succeed.
>
> If he adopts his designation *with the intent of deriving benefit from the reputation of the trade-mark or trade name*, his intent may be sufficient to justify the inference that there is confusing similarity.

(Emphasis added.) 618 F.2d at 954.

In *Paddington Corp. v. Attiki Importers & Distributors, Inc.*, 996 F.2d 577, 583 (2d Cir. 1993), the Second Circuit again approved the use of the eight *Polaroid Corp. v. Polaroid Electronics Corp.*, 287 F.2d 492 (2d Cir. 1961) factors. The sixth factor is the defendant's bad faith. The Court held that whatever

significance copying has is only in the context of evaluating one of the eight factors relevant to determining whether there is a likelihood of confusion. It is also clear that the significance of copying is measured in the context of "determining a defendant's intent." 996 F.2d at 586.

B. The Eleventh Circuit Cases

In *Bauer Lamp Co. v. Shaffer*, 941 F.2d 1165, 1170 (11th Cir. 1991), the Eleventh Circuit approved using eight factors similar to those articulated in *Polaroid* in determining whether there was a likelihood of confusion. The fifth factor is the "defendant's intent in adopting its trade dress." 941 F.2d at 1171. In affirming the finding of likelihood of confusion, the court did not apply a presumption based on copying alone, but rather relied on the evidence of the defendant's intent to harm the plaintiff. In reaching its conclusion, the Eleventh Circuit stated,

> There was more than enough evidence to establish that Shaffer and Levi were out to destroy Bauer's position in the marketplace. In fact, the evidence is clear that they deliberately intended to copy Bauer's lamps in their effort to seek revenge. Intent to copy in itself creates a rebuttable presumption of likelihood of confusion.

941 F.2d at 1171.

C. The Ninth Circuit Cases

In *Academy of Motion Picture Arts and Sciences v. Creative House Promotions, Inc.*, 944 F.2d 1446, 1456 (9th Cir. 1991), the Ninth Circuit made clear that the presumption arose only where there was evidence of intent to deceive.

> When one party knowingly adopts a mark similar to another's, reviewing courts presume that the defendant will accomplish its purpose, and that the public will be deceived.

(Citation omitted.) Thus, where evidence shows that one company *deliberately adopted another's name to obtain advantage from the other's good will*, we may infer a likelihood of confusion. (Citation omitted.) (Emphasis added.)

In *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979), the Ninth Circuit also approved the use of an eight factor analysis in determining whether there is a likelihood of confusion. The seventh factor is the "defendant's intent in selecting the mark." 599 F.2d at 349. The court stated

> The alleged infringer's intent in adopting the mark is weighed, both as probative evidence of the likelihood of confusion and as an equitable consideration.

599 F.2d at 348, n.9.

D. The Sixth Circuit Cases

In *Ferrari v. Roberts*, 944 F.2d 1235 (6th Cir. 1991), the Court approved considering eight factors in determining likelihood of confusion. The seventh factor was the defendant's intent in selecting the mark. In describing the parameters of the "presumption of likelihood of confusion that follows from intentional copying," the Sixth Circuit explained that no such presumption followed unless the defendant intended to benefit from the reputation of another.

> Intentional copying, however, is not actionable under the Lanham Act absent evidence that the copying was

> done with the intent to derive a benefit from the reputation of another (citation omitted). Where the copying by one party of another's product is not done to deceive purchasers and thus derive a benefit from another's name and reputation, but rather to avail oneself of a design which is attractive and desirable, a case of unfair competition is not made out.

944 F.2d at 1243.

Shakespeare also cites *Jordache Enterprises, Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482 (10th Cir. 1987), quoting a sentence of the opinion out of context. Shakespeare's Petition at 12, n.6. However, the *Jordache* court was clear that an inference of likelihood of confusion could be drawn only from the Defendant's intent to confuse. The court stated, "The deliberate adoption of a similar mark may lead to an inference of intent to pass off goods as those of another which in turn supports a finding of likelihood of confusion (citation omitted)." "The proper focus is whether defendant had the intent to derive benefit from the reputation or goodwill of plaintiff (citation omitted)." 828 F.2d at 1485.

Shakespeare also obscures the issue in its discussion of the cases from Third, Fifth and Seventh Circuits. It characterizes those cases as holding that "*no* presumption is invoked as a result of defendant's intent, whether the proof shows intentional copying or intent to deceive." Shakespeare's Petition at 13. The cases cited from those circuits accord similar weight to a finding that an alleged infringer copied a mark with an intent to deceive the public as the cases discussed above. In *American Home Products Corp. v. Barr Laboratories, Inc.*, 834 F.2d 368 (3d Cir. 1987), the Third Circuit stated,

> Although *intent to confuse might be highly probative*

> *of likelihood of confusion*, the court did not err in declining to infer likelihood of consumer confusion from a mere intent to imitate.

(Emphasis added) 834 F.2d at 371.

In *Versa Products Co. v. Bifold Company (Mfg.) Ltd.*, 50 F.3d 189 (3d Cir. 1995), the Third Circuit was concerned with determining likelihood of confusion in a product configuration case, a situation which it concluded was substantially different from a trade dress or packaging case. After summarizing the many cases from the Third Circuit that do in fact accord great weight to a finding of intent to deceive on the part of the defendant, the Third Circuit distinguished those cases from one involving product configuration, saying:

> The justification for these inferences in a trade mark or product packaging case is that there is little or no competitive need to copy another's distinctive symbol or presentation to sell one's product, and that anyone who does so is most likely trying to cash in on the competitor's good will attached to the competitor's mark or packaging in order to sell his or her own product.

50 F.3d at 206.

In *Blue Bell Bio-Medical v. Cin-Bad, Inc.*, 864 F.2d 1253 (5th Cir. 1989), the Fifth Circuit Court of Appeals articulated the presumption with regard to copying as follows:

> We have stated that if a trademark or trade dress "was adopted [by the defendant] with the intent of deriving benefit from the reputation of [the plaintiff] that fact alone may be sufficient to justify the inference that

> there is confusing similarity [between the products]." (citations omitted) But we must remember that the intent of defendant is just one element in the likelihood of confusion inquiry.

864 F.2d at 1259.

Schwinn Bicycle Co. v. Ross Bicycles, Inc., 870 F.2d 1176 (7th Cir. 1989) provides a clear example that Shakespeare is misreading the cases on which it relies in asserting that a presumption of likelihood of confusion based on copying alone exists in some of the circuits. In *Schwinn, supra,* the District Court applied a presumption of likelihood of confusion based on the defendant's copying of the plaintiff's exercise bicycle. The Seventh Circuit reversed, holding that the District Court had read too much into language from prior cases that discussed the effect of a finding of copying:

> The district judge relied on *Processed Plastic Co. v. Warner Communications, Inc.*, 675 F.2d 852 (7th Cir. 1982), for the proposition that a presumption of consumer confusion exists in this circuit: "in instances of intentional copying the second [manufacturer] is generally presumed to have intended to create a confusing similarity of appearance and to have succeeded in doing so." Id. at 857 (emphasis added). However, we believe the district judge placed far more emphasis on this quotation than it properly deserves when he presumed a likelihood of confusion based merely upon a showing that the defendant intentionally copied the plaintiff's trade dress because the sentence preceding it stated "another important factor bearing on the likelihood of confusion issue is [junior manufacturer's] admission that it deliberately copied the [item] to capitalize on the popularity of [a] TV

> show." Id. (emphasis added). This language fails to expressly adopt a presumption but rather states that deliberate copying is one of the factors to be considered within the framework of the "digits of confusion test."

The first issue asserted in Shakespeare's petition involves a consideration of the factors used by the circuits in determining whether a particular alleged infringement gives rise to a likelihood of confusion. Normally, when a court articulates the factors that are normally considered, the court is quick to add that whatever list is used is not exhaustive and the relevant factors will vary and be given different weight depending on the factual context in which the analysis is made. Whatever divergence may exist in the circuits over which factors are considered and how much weight is accorded to each in determining whether an alleged infringement is likely to cause confusion results from efforts to balance the interests involved in widely varying factual contexts. The decisions of the other circuits are not in conflict with the Fourth Circuit's decision in this case.

III.

THE COURT'S DECISION THAT AN ALLEGED INFRINGER'S FAIR USE OF A FUNCTIONAL DEVICE IS PROTECTED BY THE FAIR USE DEFENSE, EVEN IF THERE IS A LIKELIHOOD OF CONFUSION, IS NOT IN CONFLICT WITH ANY DECISION OF ANY OTHER CIRCUIT COURT.

Shakespeare asserts that cases from "the Second, Fifth and Ninth Circuits have ruled that the fair use defense is simply unavailable whenever a likelihood of confusion exist." Shakespeare Petition, 17. This is simply incorrect. Shakespeare's quote from the Second Circuit decision in *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d

200 (2d Cir. 1979) fails to acknowledge that the court was considering "fair use" as a doctrine of copyright law, not as that term is used in 15 U.S.C. § 1115(b)(4). The "fair use" under consideration was the "privilege in others than the owner of a copyright to use the copyrighted material in a reasonable manner without his consent." 604 F.2d at 205. Furthermore, the court's holding did not extend to the fair use question. The court expressly stated, "It is unlikely that the fair use doctrine is applicable to trademark infringements; n.9, however, we need not reach that question." 604 F.2d at 206. The holding in *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, has absolutely no relevance whatsoever to the issues in this case.

In *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786 (5th Cir. 1983), there was no finding that the defendant's use of the plaintiff's mark created a likelihood of confusion. Therefore, the Fifth Circuit was never confronted with having to decide whether the fair use defense was available where the defendant's conduct was both fair and resulted in a likelihood of confusion. Of course, the present case does not present such an issue either.

The Ninth Circuit Court of Appeals decision in *Lindy Pens Co. v. Bic Pen Corp.*, 982 F.2d 1400 (9th Cir. 1993), *cert. denied*, 510 U.S. 815 (1993), nowhere discusses the fair use defense. The Ninth Circuit's prior decision in *Lindy Pens Co. v. Bic Pen Corp.*, 725 F.2d 1240 (9th Cir. 1984) does address the fair use defense, but only in the context of holding that the alleged infringer did in fact use the contested word "Auditor" as a trademark and therefore, based on the statutory definition of fair use, was not entitled to the protection of the fair use defense. "We conclude that Bic is making a trademark use of the word 'Auditor's,' and is not immune from liability for infringement on the basis of the fair use defense." 725 F.2d at 1248.

The Fourth Circuit Court of Appeals in this case rejected Shakespeare's position because it was not consistent with the language of 15 U.S.C. § 1115(b)(4) and because of the lack of any authority to support it. 16a. There is simply no conflict among the circuits on this issue.[3]

IV.

THE COURT'S FINDING THAT SHAKESPEARE'S INCONTESTIBLE MARK WAS ENTITLED TO A PRESUMPTION OF SECONDARY MEANING AND, THEREFORE, WAS A FACTOR IN SHAKESPEARE'S FAVOR, IS NOT IN CONFLICT WITH THE DECISION OF ANY OTHER CIRCUIT COURT OF APPEALS.

The cases cited by Shakespeare for the proposition that the court will not undertake to assess the strength of an incontestible mark for the purpose of determining likelihood of confusion do not stand for that proposition. For instance, the Second Circuit Court of Appeals held in *Gruner + Jahr USA Publishing v. Meredith Corp.*, 991 F.2d 1072 (2d Cir. 1993), that although an incontestible mark was entitled to a presumption of secondary meaning for the purpose of determining whether the mark was protectable, it was appropriate for the court to evaluate the strength of the mark for purposes of determining likelihood of confusion. The court stated,

> . . . we think it now established that the strength of a descriptive mark made incontestably distinctive for protectability purposes by registration for more than

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3. The district court opinions cited by Shakespeare do not reflect a conflict among the Circuit Courts of Appeal to warrant this Court's granting Shakespeare's petition for review on this issue. Supreme Court Rule 10(a).

> five years is a matter also properly considered by a trial court on the issue of likelihood of confusion.

991 F.2d at 1078.

The Sixth Circuit Court of Appeals decision in *Daddy's Junky Music Stores, Inc. v. Big Daddy's Family Music Center,* 109 F.3d 275 (6th Cir. 1997), and the Eleventh Circuit Court of Appeals decision in *Dieter v. B&H Industries of Southwest Florida,* 880 F.2d 322 (11th Cir. 1989), simply hold that an incontestible mark must be "presumed to be at least descriptive with secondary meaning, and therefore a relatively strong mark." 109 F.3d at 282; 880 F.2d at 329. That is exactly the strength that the District Court below accorded Shakespeare's clear tip mark:

> The Court has previously concluded that although Shakespeare's trademark is descriptive — i.e., "the clear tip, in combination with the opaque rod base, signifies to consumers that the rod is composed of a graphite base with a solid fiberglass tip, both of which are features that are positive characteristics of fishing rods" — it has presumptively acquired secondary meaning because the PTO registered it pursuant to 15 U.S.C. Section 1052(f).

November 17, 1995 Order of the District Court, 49a.

The District Court expressly found that the weight of Shakespeare's mark was a factor in Shakespeare's favor in the court's analysis of whether Silstar's use of the clear tip created a likelihood of confusion. 48a.

The Sixth Circuit Court of Appeals decision in *Wynn Oil Co. v. American Way Service Corp.*, 943 F.2d 595 (6th Cir. 1991),

to the extent that it stands for the proposition that the strength of an incontestible mark may not be considered for the purposes of determining likelihood of confusion, does so primarily because it was bound by the law of the case doctrine to an earlier opinion. In explaining the rationale for its holding, the Sixth Circuit cites with approval the Eleventh Circuit's decision in *Dieter v. B&H Industries of Southwest Florida,* 880 F.2d 322 (11th Cir. 1989), discussed above.

CONCLUSION

The decision below is not in conflict on any important matter with the decision of any other Circuit Court of Appeals. Therefore, the Petition for Certiorari should be denied.

Respectfully submitted,

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